Products and Services Narrative

CredX Tech Inc

September 2026

Contents

Table 1: Document history

Date	Comment
Sep 3 2026	Rewritten for embedded lending and payments
Sep 4 2026	Replaced with SOC 2 narrative v1.0

1 Purpose and Scope

This narrative describes the products and services offered by CredX Tech Inc. for the purpose of supporting a SOC 2 examination. It gives an auditor a plain-language, business-level understanding of what CredX builds and sells, who its customers are, and where the boundary of CredX's system sits relative to its regulated banking, lending, and processing partners.

It covers the Trust Services Criteria of **Security, Availability, and Confidentiality**. CredX is targeting a SOC 2 Type I examination first, followed by a Type II examination. **Nothing in this narrative should be read as an assertion that CredX currently holds SOC 2 certification of any kind.**

This narrative focuses on commercial and business-model context and cross-references the companion narratives rather than duplicating their technical or organizational detail.

2 Business Model Overview

CredX is a pre-revenue, Calgary, Alberta-based **non-bank financial technology provider**. CredX describes its offering internally as an **"Embedded Value Platform" (EVP)** — a closed-loop set of embedded payments, credit decisioning, and merchant lending infrastructure that connects merchant point-of-sale (POS) systems to credit and lending partners.

CredX is **not a bank, is not a sponsor bank, and is not itself a licensed lender**. Regulated financial institutions — processors, sponsor banks, and licensed lenders — handle settlement, custody of funds, extension of credit, underwriting, and AML/KYC obligations. CredX's role is to provide the technology layer: application software, data orchestration, and the integration plumbing connecting a merchant's POS system, a consumer's digital wallet, and the partner institutions that actually move and lend money.

This distinction is central to the SOC 2 system boundary.

3 Products and Services Description

CredX organizes its platform into **six product pillars**. The full technical inventory of sub-service organizations is maintained in the System Description and System Architecture Narratives and is not duplicated here.

3.1 Cost Reduction — interchange savings for merchants

Cost Reduction is the entry-level value proposition CredX offers merchants: reducing the effective cost of card-network interchange fees by shifting a portion of eligible transaction volume onto CredX's embedded payment and lending rails instead of traditional card processing.

Data involved Merchant-level transaction and settlement totals (amounts, order/line-item data); **no direct handling of customer payment card numbers**.

External parties touched Merchant POS providers (Clover, Square) for order and settlement data.

3.2 BoosT (Balance Offset & Organic Spending Trigger) — embedded BNPL / POS lending

BoosT is CredX's embedded, unsecured buy-now-pay-later and point-of-sale lending product. It allows a consumer to draw down a small, unsecured line of credit at the point of sale, up to an unsecured lending ceiling of **$5,000 per consumer**.

Note: the System Description states a $25,000 unsecured lending ceiling. These figures conflict and must be reconciled before external issuance — see Open Inconsistencies below.

Credit decisioning is not performed by CredX. When a consumer applies, the credit questionnaire is **hosted directly by Ownest Inc.** (an affiliated company under a software licensing arrangement); the applicant's financial details are submitted client-side, directly to Ownest, and **never pass through CredX's backend**. Ownest returns the completed application to CredX via webhook using only a correlation/loan identifier — CredX does not transmit applicant financial data to Ownest over its own API. CredX then requests loan proposals from the licensed lending partner; an accepted proposal becomes the loan terms presented to the consumer.

At the point of sale, the consumer presents a digital wallet pass (Apple Wallet or Google Wallet) containing a dynamic, rotating, time-bound QR code or barcode. The merchant's POS scans this credential, which resolves to the consumer's identity and active loan, and the loan is drawn down to fund the purchase.

Data involved Correlation/loan ID (not raw applicant financial data) shared with Ownest; consumer identity resolved via wallet-pass credential at time of transaction; loan ledger and transaction records held by CredX.

External parties touched Ownest Inc. (credit questionnaire hosting and underwriting decision); a licensed lending partner (loan funding — currently prospective); Apple Wallet / Google Wallet (payment credential presentation).

3.3 Data as a Product (DaaP) — tokenized, consented transaction data catalogue

DaaP is CredX's data catalogue offering: transaction-level data, tokenized and subject to consumer consent, organized into a catalogue usable for two purposes

— internal analytics to improve CredX's own products, and external licensing of de-identified or consented data assets to partner organizations.

DaaP is designed around **data minimization and consent**: identifiers are tokenized or pseudonymized where possible rather than exposing raw PII, consistent with CredX's Privacy by Design commitments.

Data involved Tokenized/pseudonymized transaction metadata; consent records; aggregated or de-identified analytics outputs for external licensing.

External parties touched External licensees of data products [**TBD — specific external data-licensing counterparties not yet finalized**]; internal analytics consumers within CredX.

Consumer rights applicable to this data — access, correction, deletion, portability, opt-out — are described in the Privacy Management Policy and Control Environment Narrative.

3.4 Marketing — event-driven, self-funded campaigns

The Marketing pillar delivers event-driven promotional campaigns to consumers and merchants, for example tied to sports, entertainment, or retail events with priority-industry partners. Campaigns are "self-funded," meaning they are designed to be paid for out of the economics generated by the platform rather than requiring separate marketing budget outlay from merchants.

Data involved Campaign targeting data (merchant category, event association); consumer engagement/response data at an aggregate level.

External parties touched Priority-industry partners such as sports franchises, venues, and utilities as campaign co-sponsors or channels; no new categories of sub-service organizations beyond those already listed for POS and wallet integrations.

3.5 MarketPlace — curated partner ecosystem

MarketPlace is a curated ecosystem of merchant and partner offers made available to consumers through the CredX platform, intended to extend the value consumers get from their CredX-enabled wallet beyond a single merchant relationship.

Data involved Merchant/partner directory and offer data; consumer engagement data at an aggregate level; **no independent handling of settlement funds**.

External parties touched Participating merchants and partner brands; underlying POS and wallet integrations already described above.

3.6 Orchestration — rules engine / policy-as-code

Orchestration is the internal rules engine — described as "policy-as-code" — binding together lending policy, consumer profiling, consent management, and required disclosures across the other five pillars. It determines which lending policy applies to a given consumer/merchant combination, which consents have been captured, and which disclosures must be presented before a transaction proceeds.

Orchestration does not itself extend credit or hold funds; it encodes and enforces the business and compliance rules governing how CredX's other pillars operate.

Data involved Policy/rule configuration; consent status flags; disclosure acknowledgment records; references to loan/correlation identifiers (not raw financial data).

External parties touched No direct external parties beyond those already integrated for BoosT, DaaP, and wallet credentials; Orchestration is primarily an internal control layer.

4 Customer Segments and Service Delivery

CredX segments prospective and target merchant customers by annual business revenue into four tiers. These tiers drive both commercial targeting and the model of service delivery.

Tier	Annual Revenue Range	Merchant Target
MVP	< $12M	[TBD — early-stage cohort, no fixed target]
Small	$12M – $25M	100 merchants
Medium	$25M – $100M	50 merchants
Large	$100M+	25 merchants

4.1 Priority Industries

CredX prioritizes merchant relationships in **grocery, telecom, sports** (including professional and semi-professional franchises), **entertainment and venues, utilities, fintech, POS technology partners, and consumer delivery**. These sectors were selected for characteristics such as high transaction frequency, existing loyalty/rewards infrastructure, or strong regional brand recognition that support the Marketing and MarketPlace pillars.

4.2 Geography

CredX currently operates **in Canada only**, with all customer and transaction data processed in **Canadian dollars (CAD)**. United States expansion is a planned future phase; **multi-currency support does not currently exist in the platform**.

4.3 Service Delivery Model

Service delivery differs by tier. Merchants in the **MVP and Small** tiers are expected to onboard through a self-serve merchant portal, connecting their POS system — Clover via OAuth, or Square via an administrator-provided access token — with limited direct human involvement from CredX. Merchants in the **Medium and Large** tiers receive dedicated account management, reflecting higher transaction volumes, greater customization needs, and a closer commercial relationship.

Note: the System Architecture Narrative states that merchants onboard internally rather than through a self-serve public flow. This conflicts with the self-serve model described above and must be reconciled — see Open Inconsistencies below.

5 Service Boundaries and Exclusions

Defining what CredX **does not** do is essential to establishing an accurate SOC 2 system boundary. Overstating CredX's role in regulated financial activity would misrepresent the system under examination.

- **No custody of funds.** CredX does not hold or custody consumer or merchant funds. Settlement and custody are performed by regulated payment processors and financial institutions.
- **No direct extension of credit.** CredX does not itself lend money. Licensed lending partners extend credit under the BoosT product; CredX provides the technology and integration layer that presents loan terms and draws down approved loans.
- **No direct KYC/KYB.** CredX does not perform Know-Your-Customer or Know-Your-Business checks itself. These obligations are carried out by CredX's regulated partners.
- **Not a registered Money Services Business.** CredX is not registered with FINTRAC as a Money Services Business and does not independently conduct AML compliance activity.

CredX's own role in the incident- and compliance-relevant data chain is limited to maintaining consent records, audit trails, and secure-transmission logs that **support — but do not replace** — its regulated partners' own compliance and reporting obligations.

This is a foundational, intentional design choice, not an oversight, but it must be stated explicitly and verified against actual system behavior during SOC 2 fieldwork, since it defines which controls are in-scope for CredX versus its regulated partners.

6 Partner and Vendor Ecosystem (Business View)

Partner Category	Named Partner(s)	Status
Financial Institutions / Credit Unions	Peoples Trust Company (prospective sponsor bank); Innovation Federal Credit Union (prospective lending partner, converted to federal charter, likely OSFI-regulated)	**Prospective / pilot-stage — NOT yet under executed contract**
POS Partners	Clover, Square	Active integration partners for merchant order/payment data
Underwriting Affiliate	Ownest Inc. (affiliated company; shared CTO — Ray Yip)	Software licensing arrangement; hosts credit questionnaire and underwriting decisioning
Payment Credential Partners	Apple Wallet, Google Wallet	Digital wallet-based payment credential (dynamic QR/barcode)

CredX's two named financial-institution relationships are explicitly **prospective/pilot-stage** with no executed contracts in place. Any SOC 2 system description must reflect this accurately rather than implying an operating banking relationship exists today.

CredX's software is built on a licensed technology stack from **Ownest Inc.**, an affiliated company sharing a CTO with CredX. This relationship is treated internally as a **Tier 1 continuity dependency**; continuity arrangements such as source-code or technology escrow are **not yet formalized**.

7 Revenue Model Summary

CredX's commercial model is organized around six revenue lines mirroring its six product pillars. This summary is provided for auditor context and is not a financial analysis.

Revenue Line	Business Description
Cost Reduction	Value shared with merchants from reduced card-network interchange costs

Revenue Line	Business Description
BoosT (BNPL / POS Lending)	Economics associated with facilitating embedded lending transactions at point of sale
Data as a Product (DaaP)	Internal analytics value plus external licensing of tokenized/consented data assets
Marketing	Self-funded, event-driven campaign economics
MarketPlace	Partner ecosystem participation / offer economics
Orchestration	Underlying policy/compliance layer supporting the other five revenue lines (not itself a standalone customer-facing charge)

CredX is currently pre-revenue: these six lines represent the intended commercial model rather than realized, in-market revenue.

8 Current Stage and Limitations

- **Pre-revenue.** The six revenue lines represent the target commercial model, not current realized revenue.
- **Sponsor bank and lending partner agreements are prospective.** The Peoples Trust Company and Innovation Federal Credit Union relationships are pilot-stage and not yet under executed contract.
- **No multi-currency support.** CredX operates in Canada only and supports CAD only. This is an accurate, current design constraint that would need addressing prior to U.S. expansion.

Additional technical, security, and continuity gaps — including the named plaintext-credential-storage exception and the absence of live security monitoring — are tracked in the Security Architecture, Control Environment, and Business Continuity Plan Narratives, and are not repeated in full in this business-focused document.

No SOC 2 report — Type I or Type II — has been issued for CredX as of the date of this narrative.

9 Open Inconsistencies

Two conflicts exist between this narrative and its companions and must be resolved before external issuance:

BoosT unsecured lending ceiling This narrative states **$5,000 per consumer**; the System Description states **$25,000**. *Owner: Kyle Bunbury / Kendall Raessler.*

Merchant onboarding model This narrative describes MVP and Small tier merchants onboarding through a **self-serve merchant portal**; the System

Architecture Narrative states merchants onboard **internally, not via a self-serve public flow**. *Owner: Kyle Bunbury / Ray Yip.*